



CITY COUNCIL AGENDA REPORT

MEETING DATE: APRIL 5, 2011

ITEM NUMBER: CC-6

SUBJECT: EXECUTION OF TERMINATION OF AGREEMENTS RELATING TO FULL REPAYMENT OF DEBT FOR CENTER TOWER PARKING STRUCTURE

DATE: MARCH 24, 2011

FROM: THOMAS P. DUARTE, CITY ATTORNEY

PRESENTATION BY: THOMAS P. DUARTE, CITY ATTORNEY

FOR FURTHER INFORMATION CONTACT: THOMAS P. DUARTE, CITY ATTORNEY,
(714) 754-5399

RECOMMENDED ACTION:

Approve execution of documents terminating the Lease Agreement, Sublease Agreement, and First Assignment Agreement between the City and Center Tower Associates, LLC relating to funding for the Center Tower parking structure, as the debt has been fully repaid.


BACKGROUND:

On April 21, 1997, the City Council approved in Resolution No 97-32 entering into a Lease Agreement, Sublease Agreement, and First Assignment Agreement with Center Tower Associates, LLC, in connection with the issuance of Certificates of Participation for the financing of the Center Tower parking structure improvements. The City received a request in January from C.J. Segerstrom & Sons to execute termination documents and clear title because the debt had been fully repaid. The Finance Department confirmed that the final debt service payment was made in November of 2010, and, therefore, termination of the Lease Agreement, Sublease Agreement, and First Assignment Agreement, is appropriate.

FISCAL REVIEW:

There is no fiscal impact from this revision.


THOMAS P. DUARTE
City Attorney


THOMAS HATCH
CEO

Attachments: Resolution No. 97-32
Termination of Lease Agreement
Termination of Sublease Agreement
Termination of First Assignment Agreement

RESOLUTION NO. 97-32

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, APPROVING TRUST AGREEMENT, LEASE AGREEMENT, SUBLEASE AGREEMENT, FIRST ASSIGNMENT AGREEMENT, OFFICIAL STATEMENT, AND NOTICE INVITING BIDS RELATING TO CERTIFICATES OF PARTICIPATION (1997 PUBLIC PARKING REFUNDING PROJECT) AND PROVIDING OTHER MATTERS PROPERLY RELATING TO THE CERTIFICATES.

THE CITY COUNCIL OF THE CITY OF COSTA MESA DOES HEREBY RESOLVE AS FOLLOWS:

WHEREAS, the City of Costa Mesa (the "City") and Center Tower Associates, LLC (the "Company"), entered into a Lease Agreement dated as of December 1, 1984, (the "Prior Lease Agreement") pursuant to which the Company constructed and improved certain public parking facilities on certain land owned by the Company (the "Site) and leased the public parking facilities and the Site to the City (the public parking facilities, including the Site, being herein together referred to as the "Facilities"); and

WHEREAS, the City and the Company entered into a Sublease Agreement dated as of December 1, 1984, ("the Prior Sublease Agreement") pursuant to which the City subleased the Facilities to the Company; and

WHEREAS, in order to obtain funds to finance the construction and improvement of the public parking facilities, the City and the Company caused the execution, sale, and delivery of \$14,000,000.00 Variable/Fixed Rate Demand Certificates of Participation (Orange County Performing Arts Center Public Parking

Project) (the "Prior Certificates") evidencing interests in the lease payments to be made by the City pursuant to the Prior Lease Agreement (the "Prior City Lease Payments"); and

WHEREAS, the Prior City Lease Payments were made payable primarily from the proceeds of sublease payments to be made by the Company pursuant to the Prior Sublease Agreement (the "Prior Company Sublease Payments"); and

WHEREAS, the Company has determined that current market conditions will permit it to obtain significant savings in the costs of the Prior Company Sublease Payments by providing for the refinancing and deposit and payment in full of the Prior Company Sublease Payments and thereby providing for the refinancing and payment in full of the Prior City Lease Payments and the redemption in whole of the Prior Certificates; and

WHEREAS, the Company proposes to obtain funds for such prepayment and redemption (i) by entering into a new Lease Agreement dated as of May 1, 1997, (the "Lease Agreement") between the City and the Company pursuant to which the Company will, concurrently with the prepayment in full of the Prior Company Sublease Payments, lease the Facilities to the City, and (ii) by entering into a new Sublease Agreement dated as of the same date (the "Sublease Agreement") between the City and the Company pursuant to which the City will lease the Facilities back to the Company; and

WHEREAS, the Company further proposes to obtain such funds for prepayment and redemption of the Prior Certificates by the execution, sale, and delivery of Certificates of Participation (1997 Public Parking Facilities Refunding Project)(the

Project) (the "Prior Certificates") evidencing interests in the lease payments to be made by the City pursuant to the Prior Lease Agreement (the "Prior City Lease Payments"); and

WHEREAS, the Prior City Lease Payments were made payable primarily from the proceeds of sublease payments to be made by the Company pursuant to the Prior Sublease Agreement (the "Prior Company Sublease Payments"); and

WHEREAS, the Company has determined that current market conditions will permit it to obtain significant savings in the costs of the Prior Company Sublease Payments by providing for the refinancing and deposit and payment in full of the Prior Company Sublease Payments and thereby providing for the refinancing and payment in full of the Prior City Lease Payments and the redemption in whole of the Prior Certificates; and

WHEREAS, the Company proposes to obtain funds for such prepayment and redemption (i) by entering into a new Lease Agreement dated as of May 1, 1997, (the "Lease Agreement") between the City and the Company pursuant to which the Company will, concurrently with the prepayment in full of the Prior Company Sublease Payments, lease the Facilities to the City, and (ii) by entering into a new Sublease Agreement dated as of the same date (the "Sublease Agreement") between the City and the Company pursuant to which the City will lease the Facilities back to the Company; and

WHEREAS, the Company further proposes to obtain such funds for prepayment and redemption of the Prior Certificates by the execution, sale, and delivery of Certificates of Participation (1997 Public Parking Facilities Refunding Project)(the

"Certificates") evidencing interests in the lease payments (the "Lease Payments") to be made by the City pursuant to the Lease Agreement; and

WHEREAS, the City's lease payments will be payable primarily from sublease payments to be made by the Company pursuant to the Sublease Agreement (the "Sublease Payments"); and

WHEREAS, the Certificates will be executed and delivered and will be secured in accordance with the provisions of a Trust Agreement (the "Trust Agreement") dated as of May 1, 1997, by and among the City, the Company, and U.S. Trust Company of California, N.A., as trustee (the "Trustee"); and

WHEREAS, to further secure the Certificates as provided in the Trust Agreement, it is necessary that the City assign its interests in the Trust Agreement and the Sublease Agreement, as further provided in the First Assignment Agreement dated as of May 1, 1997, by and between the City and the Company (the "First Assignment Agreement"); and

WHEREAS, by Resolution No. 97-25 adopted by the City Council on April 7, 1997, the City Council approved the sale of the Certificates at public sale, and approved a Preliminary Official Statement for distribution in connection therewith (the "Official Statement"); and

WHEREAS, the City Council, with the aid of its staff, has reviewed and desires to approve the Trust Agreement, the Lease Agreement, the Sublease Agreement, the First Assignment Agreement, the final Official Statement, and the Notice Inviting Bids prepared in connection with the public sale of the Certificates;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Costa Mesa as follows:

SECTION 1. The Agreements. The City hereby approves the Trust Agreement, the Lease Agreement, the Sublease Agreement, and the First Assignment Agreement (collectively, the "Agreements"), with such changes and modifications thereto as shall be necessary to implement the sale and delivery of the Certificates, as shall be advised by Bond Counsel to the City, and the Mayor is authorized and directed to execute and delivery the Agreements on behalf of the City, and the Deputy City Clerk shall attest the Mayor's signature to the Agreements. The City Council hereby authorizes the performance of the Agreements.

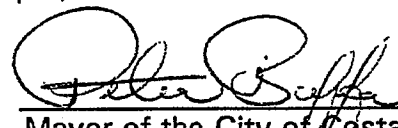
SECTION 2. The Official Statement and Notice Inviting Bids. The City Council hereby approves for distribution the final form of the Official Statement and the Notice Inviting Bids providing for public sale of the Certificates, and the City Manager is authorized and directed to execute and deliver the final Official Statement and the final Notice Inviting Bids, to award the Certificates to the successful bidder in accordance with the Notice Inviting Bids and to execute and deliver to such bidder a certificate concerning the contents of the final Official Statement in form required by the Notice Inviting Bids and a Continuing Disclosure Certificate in form attached as an appendix to the final Official Statement.

SECTION 3. Official Actions. The Mayor, the City Manager, the City Finance Director, the City Assistant Finance Director, the City Attorney, the Deputy City Clerk, and all other officers of the City are each authorized and directed in the name and on behalf of the City to execute and deliver any and all assignments, certificates,

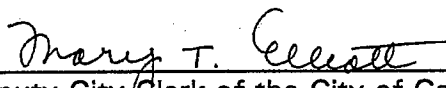
requisitions (including requisitions for the payment of delivery costs of the Certificates), agreements, notices, consents, instruments of conveyance, warrants, and other documents which they, or any of them, may deem necessary or appropriate in order to consummate any of the transactions contemplated by the Agreements and the other documents approved pursuant to this Resolution, including, without limitation, the execution and delivery of the Certificates and the execution and delivery of an agreement (in customary form) providing for the use of the proceeds of the Certificates to pay in full the Prior Sublease Payments, the Prior Lease Payments, and the Prior Certificates. Whenever in this Resolution any officer of the City is authorized to execute or attest any document or take any action, such execution, attestation, or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer shall be absent or unavailable.

SECTION 4. Effective Date. This Resolution shall take effect from and after the date of approval and adoption thereof.

PASSED AND ADOPTED this 21st day of April, 1997.


Mayor of the City of Costa Mesa

ATTEST:


Deputy City Clerk of the City of Costa Mesa

APPROVED AS TO FORM

 4-16-97
CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
CITY OF COSTA MESA)

I, MARY T. ELLIOTT, Deputy City Clerk and ex-officio Clerk of the City Council of the City of Costa Mesa, hereby certify that the above and foregoing Resolution No. 97-32 was duly and regularly passed and adopted by the said City Council at a regular meeting thereof, held on the 21st day of April, 1997, by the following roll call vote:

AYES: Buffa, Monahan, Erickson, Cowan, Somers

NOES: None

ABSENT: None

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Seal of the City of Costa Mesa this 22nd day of April, 1997.

Mary T. Elliott
Deputy City Clerk and ex-officio Clerk of
the City Council of the City of Costa Mesa

The foregoing instrument is a correct copy
of the original on file in this office.

ATTEST: Mary T. Elliott - Deputy
CITY CLERK OF THE CITY OF COSTA MESA
COUNTY OF ORANGE, STATE OF CALIFORNIA

DATED: May 14, 1997

RECORDED AT THE REQUEST OF

WHEN RECORDED MAIL TO

Center Tower Associates LLC
c/o C.J. Segerstrom & Sons
3315 Fairview Road
Costa Mesa, California 92626
Attn: Elayne Linton

THIS SPACE FOR RECORDER'S USE ONLY

TERMINATION OF LEASE AGREEMENT

That certain Lease Agreement affecting the property described in Exhibit A attached hereto, dated as of May 1, 1997, by and between **Center Tower Associates, LLC**, a California limited liability company, as lessor, and the **City of Costa Mesa**, a California municipal corporation, as lessee, a memorandum of which was recorded on May 30, 1997, as Instrument No. 19970249128 in the Official Records of Orange County, California, as modified, if at all, is hereby terminated for all purposes, effective on the date of recordation of this document in the aforementioned Official Records.

LESSEE:

CITY OF COSTA MESA,
a municipal corporation




Mayor of Costa Mesa

ATTEST:

Deputy City Clerk and ex-officio Clerk
of the City of Costa Mesa

APPROVED AS TO FORM:

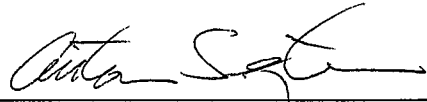


City Attorney, City of Costa Mesa

LESSOR:


CENTER TOWER ASSOCIATES, LLC, a
California limited liability company

By:



Anton D. Segerstrom Alternate Manager

By:



Chase J. McLaughlin, Manager

ACKNOWLEDGEMENT

STATE OF CALIFORNIA

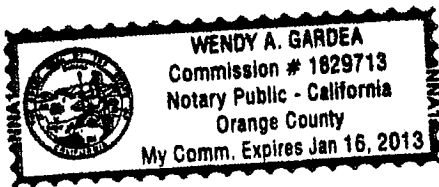
COUNTY OF ORANGE

On 3/8, 2011, before me, Wendy A. Gardea,
personally appeared Ivy M. Tsai, who proved to me on the basis of satisfactory
evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that
he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the
instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and
correct.

WITNESS my hand and official seal.

Signature: Wendy A. Gardea



ACKNOWLEDGEMENT

STATE OF CALIFORNIA

COUNTY OF ORANGE

On _____, 20____, before me, _____,
personally appeared _____, who proved to me on the basis of satisfactory
evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that
he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the
instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and
correct.

WITNESS my hand and official seal.

Signature: _____

ACKNOWLEDGEMENT

STATE OF CALIFORNIA

COUNTY OF ORANGE

On _____, 20____, before me, _____,
personally appeared _____, who proved to me on the basis of satisfactory
evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that
he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the
instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and
correct.

WITNESS my hand and official seal.

Signature: _____

ACKNOWLEDGEMENT

STATE OF CALIFORNIA

COUNTY OF ORANGE

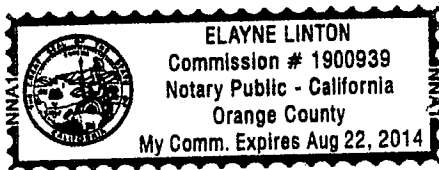
On March 1, 2011, before me, Elayne Linton, Notary Public, personally appeared Anton D. Segerstrom, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

Elayne Linton



ACKNOWLEDGEMENT

STATE OF CALIFORNIA

COUNTY OF ORANGE

On March 2, 2011, before me, Elayne Linton, Notary Public, personally appeared Chase J. McLaughlin, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

Elayne Linton

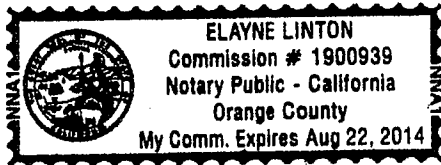


EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

PARCEL 1:

LOT 1 OF TRACT NO. 11762, IN THE CITY OF COSTA MESA, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 511, PAGES 41 TO 43 INCLUSIVE, OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 2:

A NON-EXCLUSIVE EASEMENT FOR INGRESS AND EGRESS OVER THOSE PORTIONS OF LOTS 3, 4 AND 5 OF TRACT NO. 11762, IN THE CITY OF COSTA MESA, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 511, PAGES 41 TO 43 INCLUSIVE, OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, LYING WITHIN THE AREA OF SAID LAND AS SHOWN ON SHEET 3 OF SAID TRACT MAP AS "EMERGENCY AND PUBLIC SECURITY INGRESS AND EGRESS EASEMENT DEDICATED TO THE CITY OF COSTA MESA", EXCEPT THEREFROM THAT PORTION LYING WITHIN THE EAST HALF OF SAID LOT 4.

PARCEL 3:

SUBSURFACE EASEMENTS FOR ACCESS, INGRESS AND EGRESS CREATED PURSUANT TO THAT CERTAIN AGREEMENT CAPTIONED "AGREEMENT FOR EASEMENTS AND MAINTENANCE OBLIGATIONS AFFECTING LOTS 2, 3, 4 AND 5 OF TRACT NO. 11762, IN THE CITY OF COSTA MESA, COUNTY OF ORANGE, STATE OF CALIFORNIA BY AND BETWEEN CENTER TOWER ASSOCIATES, A CALIFORNIA GENERAL PARTNERSHIP, ORANGE COUNTY FOR THE PERFORMING ARTS, INC. A CALIFORNIA CORPORATION, AND SOUTHCOAST PLAZA, A CALIFORNIA GENERAL PARTNERSHIP, RECORDED DECEMBER 13, 1984 AS INSTRUMENT NO. 84-516637, OFFICIAL RECORDS.

RECORDED AT THE REQUEST OF

WHEN RECORDED MAIL TO:

Center Tower Associates LLC
c/o C.J. Segerstrom & Sons
3315 Fairview Road
Costa Mesa, California 92626
Attn: Elayne Linton

THIS SPACE FOR RECORDER'S USE ONLY

TERMINATION OF SUBLEASE AGREEMENT

That certain Lease Agreement affecting the property described in Exhibit A attached hereto, dated as of May 1, 1997, by and between the **City of Costa Mesa**, a California municipal corporation, as lessor, and, **Center Tower Associates, LLC**, a California limited liability company, as lessee, a memorandum of which was recorded on May 30, 1997, as Instrument No. 19970249129 in the Official Records of Orange County, California, as modified, if at all, is hereby terminated for all purposes, effective on the date of recordation of this document in the aforementioned Official Records.

LESSOR:


CITY OF COSTA MESA,
a municipal corporation

Mayor of Costa Mesa

ATTEST:

Deputy City Clerk and ex-officio Clerk
of the City of Costa Mesa

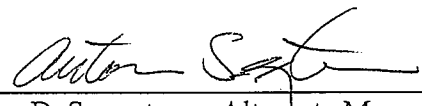
APPROVED AS TO FORM:



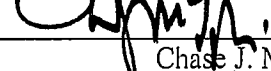
City Attorney, City of Costa Mesa

LESSEE:

CENTER TOWER ASSOCIATES, LLC, a
California limited liability company

By: 

Anton D. Segerstrom, Alternate Manager

By: 

Chase J. McLaughlin, Manager

ACKNOWLEDGEMENT

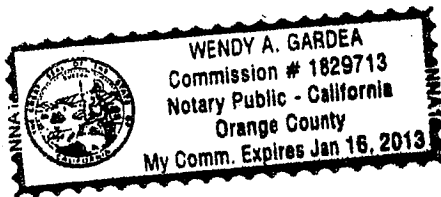
STATE OF CALIFORNIA

COUNTY OF ORANGE

On 3/8, 2011, before me, Wendy A. Gardea,
personally appeared Ivy M. Tsai, who proved to me on the basis of satisfactory
evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that
he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the
instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and
correct.

WITNESS my hand and official seal.



Signature: Wendy A. Gardea

ACKNOWLEDGEMENT

STATE OF CALIFORNIA

COUNTY OF ORANGE

On _____, 20 __, before me, _____,
personally appeared _____, who proved to me on the basis of satisfactory
evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that
he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the
instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and
correct.

WITNESS my hand and official seal.

Signature: _____

ACKNOWLEDGEMENT

STATE OF CALIFORNIA

COUNTY OF ORANGE

On _____, 20____, before me, _____,
personally appeared _____, who proved to me on the basis of satisfactory
evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that
he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the
instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and
correct.

WITNESS my hand and official seal.

Signature: _____

ACKNOWLEDGEMENT

STATE OF CALIFORNIA

COUNTY OF ORANGE

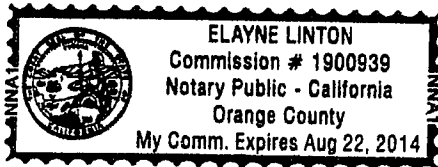
On March 1, 2011, before me, Elayne Linton, Notary Public, personally appeared Anton D. Segerstrom, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

Elayne Linton



ACKNOWLEDGEMENT

STATE OF CALIFORNIA

COUNTY OF ORANGE

On March 2, 2011, before me, Elayne Linton, Notary Public, personally appeared Chase J. McLaughlin, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

Elayne Linton

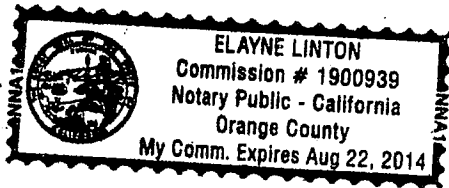


EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

PARCEL 1:

LOT 1 OF TRACT NO. 11762, IN THE CITY OF COSTA MESA, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 511, PAGES 41 TO 43 INCLUSIVE, OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 2:

A NON-EXCLUSIVE EASEMENT FOR INGRESS AND EGRESS OVER THOSE PORTIONS OF LOTS 3, 4 AND 5 OF TRACT NO. 11762, IN THE CITY OF COSTA MESA, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 511, PAGES 41 TO 43 INCLUSIVE, OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, LYING WITHIN THE AREA OF SAID LAND AS SHOWN ON SHEET 3 OF SAID TRACT MAP AS "EMERGENCY AND PUBLIC SECURITY INGRESS AND EGRESS EASEMENT DEDICATED TO THE CITY OF COSTA MESA", EXCEPT THEREFROM THAT PORTION LYING WITHIN THE EAST HALF OF SAID LOT 4.

PARCEL 3:

SUBSURFACE EASEMENTS FOR ACCESS, INGRESS AND EGRESS CREATED PURSUANT TO THAT CERTAIN AGREEMENT CAPTIONED "AGREEMENT FOR EASEMENTS AND MAINTENANCE OBLIGATIONS AFFECTING LOTS 2, 3, 4 AND 5 OF TRACT NO. 11762, IN THE CITY OF COSTA MESA, COUNTY OF ORANGE, STATE OF CALIFORNIA BY AND BETWEEN CENTER TOWER ASSOCIATES, A CALIFORNIA GENERAL PARTNERSHIP, ORANGE COUNTY FOR THE PERFORMING ARTS, INC. A CALIFORNIA CORPORATION, AND SOUTHCOAST PLAZA, A CALIFORNIA GENERAL PARTNERSHIP, RECORDED DECEMBER 13, 1984 AS INSTRUMENT NO. 84-516637, OFFICIAL RECORDS.

RECORDED AT THE REQUEST OF

WHEN RECORDED MAIL TO

Center Tower Associates LLC
c/o C.J. Segerstrom & Sons
3315 Fairview Road
Costa Mesa, California 92626
Attn: Elayne Linton

THIS SPACE FOR RECORDER'S USE ONLY

TERMINATION OF FIRST ASSIGNMENT AGREEMENT

That certain First Assignment Agreement affecting the property described in Exhibit A attached hereto, dated as of May 1, 1997, by and between **Center Tower Associates, LLC**, a California limited liability company, and the **City of Costa Mesa**, a California municipal corporation, recorded on May 30, 1997, as Instrument No. 19970249130 in the Official Records of Orange County, California, as modified, if at all, is hereby terminated for all purposes, effective on the date of recordation of this document in the aforementioned Official Records.

CITY OF COSTA MESA,
a municipal corporation

Mayor of Costa Mesa

ATTEST:

Deputy City Clerk and ex-officio Clerk
of the City of Costa Mesa

APPROVED AS TO FORM:

City Attorney, City of Costa Mesa

CENTER TOWER ASSOCIATES, LLC, a
California limited liability company

By:

Anton D. Segerstrom Alternate Manager

By:

Chase J. McLaughlin, Manager

ACKNOWLEDGEMENT

STATE OF CALIFORNIA

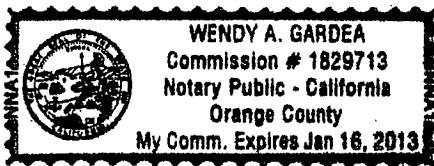
COUNTY OF ORANGE

On 3/8/11, 2011, before me, Wendy A. Gardea,
personally appeared Ivy M. Tsai, who proved to me on the basis of satisfactory
evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that
he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the
instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and
correct.

WITNESS my hand and official seal.

Signature: Wendy A. Gardea



ACKNOWLEDGEMENT

STATE OF CALIFORNIA

COUNTY OF ORANGE

On _____, 20____, before me, _____,
personally appeared _____, who proved to me on the basis of satisfactory
evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that
he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the
instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and
correct.

WITNESS my hand and official seal.

Signature: _____

ACKNOWLEDGEMENT

STATE OF CALIFORNIA

COUNTY OF ORANGE

On _____, 20____, before me, _____,
personally appeared _____, who proved to me on the basis of satisfactory
evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that
he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the
instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and
correct.

WITNESS my hand and official seal.

Signature: _____

ACKNOWLEDGEMENT

STATE OF CALIFORNIA

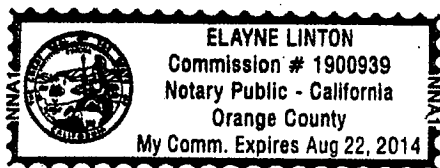
COUNTY OF ORANGE

On March 1, 2011, before me, Elayne Linton, Notary Public, personally appeared Anton D. Segerstrom, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: Elayne Linton



ACKNOWLEDGEMENT

STATE OF CALIFORNIA

COUNTY OF ORANGE

On March 2, 2011, before me, Elayne Linton, Notary Public, personally appeared Chase J. McLaughlin, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: Elayne Linton

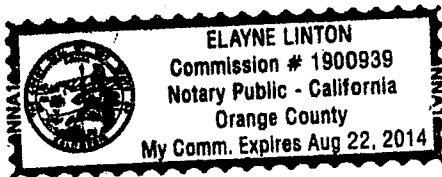


EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

PARCEL 1:

LOT 1 OF TRACT NO. 11762, IN THE CITY OF COSTA MESA, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 511, PAGES 41 TO 43 INCLUSIVE, OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 2:

A NON-EXCLUSIVE EASEMENT FOR INGRESS AND EGRESS OVER THOSE PORTIONS OF LOTS 3, 4 AND 5 OF TRACT NO. 11762, IN THE CITY OF COSTA MESA, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 511, PAGES 41 TO 43 INCLUSIVE, OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, LYING WITHIN THE AREA OF SAID LAND AS SHOWN ON SHEET 3 OF SAID TRACT MAP AS "EMERGENCY AND PUBLIC SECURITY INGRESS AND EGRESS EASEMENT DEDICATED TO THE CITY OF COSTA MESA", EXCEPT THEREFROM THAT PORTION LYING WITHIN THE EAST HALF OF SAID LOT 4.

PARCEL 3:

SUBSURFACE EASEMENTS FOR ACCESS, INGRESS AND EGRESS CREATED PURSUANT TO THAT CERTAIN AGREEMENT CAPTIONED "AGREEMENT FOR EASEMENTS AND MAINTENANCE OBLIGATIONS AFFECTING LOTS 2, 3, 4 AND 5 OF TRACT NO. 11762, IN THE CITY OF COSTA MESA, COUNTY OF ORANGE, STATE OF CALIFORNIA BY AND BETWEEN CENTER TOWER ASSOCIATES, A CALIFORNIA GENERAL PARTNERSHIP, ORANGE COUNTY FOR THE PERFORMING ARTS, INC. A CALIFORNIA CORPORATION, AND SOUTHCOAST PLAZA, A CALIFORNIA GENERAL PARTNERSHIP, RECORDED DECEMBER 13, 1984 AS INSTRUMENT NO. 84-516637, OFFICIAL RECORDS.